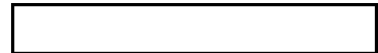


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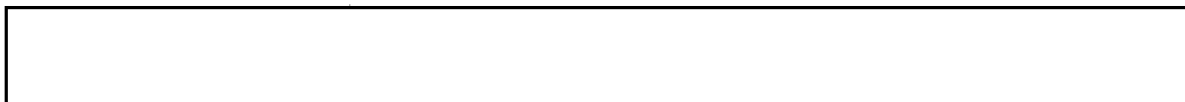
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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

4 June 1959

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DAILY BRIEF

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I. THE COMMUNIST BLOC

No
*USSR- Laos: (Soviet Foreign Minister Gromyko on 1 June insisted that the USSR and UK, as cochairmen of the 1954 Geneva agreements for Indochina, discuss the Laotian crisis. This is Moscow's strongest move to date in support of North Vietnam's campaign to reconvene the International Control Commission for Laos. The Foreign Office has advised Lloyd to resist efforts to reconvene the ICC.)

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No
Watch Committee conclusion--Berlin: (No significant indications bearing on the possibility of hostilities.)

OK
USSR: Moscow and its Balkan satellites may be planning to follow up Khrushchev's threats to establish missile bases in Albania with a call for a regional conference, including Yugoslavia, Greece, Turkey, and Italy, to discuss the creation of a denuclearized zone in the Balkan and Adriatic area. Khrushchev's speech of 30 May in Tirana and the Soviet-Albanian joint statement recalled Rumanian Premier Stoica's proposal in November 1957 for such a conference. According to TASS, the USSR and Albania propose to call a Balkan-Adriatic "summit" meeting to "discuss urgent questions and turn the Balkans into a denuclearized zone."

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II. ASIA-AFRICA

No
South Korea - Japan: Existing tension between Japan and South Korea over Tokyo's negotiations with Pyongyang regarding the repatriation of Koreans in Japan will be heightened by a new fisheries incident. According to a Japanese report, a South Korean patrol boat reportedly has fired on a Japanese patrol ship attempting to obtain the release of a Japanese fishing boat taken in custody by the South Korean Coast Guard. This is the first time a South Korean ship has fired on Japanese patrol craft since March 1958.

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OK
Nepal: Communist China's ambassador to New Delhi, who is also accredited to Nepal, was in Katmandu on 1 June, possibly to urge the establishment of a resident diplomatic mission. Nepal agreed in April to the opening of a Soviet embassy in Katmandu. Indian Prime Minister Nehru, who plans to go to Katmandu on 11 June, will probably attempt to discourage Nepal from increasing its ties with the outside world too rapidly.

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4 June 59

DAILY BRIEF

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Watch Committee conclusion--Asia-Africa: (Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist in Laos and in the Middle East, particularly in Iraq and Iran. The situation in the Middle East remains precarious, but a deliberate initiation of large-scale hostilities is unlikely in the immediate future.)

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Iraq: (Despite some indications of cooling relations between Qasim and the Iraqi Communists, Qasim has not taken effective measures to reduce Communist influence.)

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III. THE WEST

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*Nicaragua: Opposition elements in Managua remain outwardly quiescent under martial law, although the general strike, called by united opposition elements to obtain political as well as economic concessions from the regime, has curtailed most business activity. The small invasion from Costa Rica has not attracted much support, but its failure would not end the threat to government stability, since opposition businessmen participating in the strike seem determined to hold out. The Organization of American States has postponed until 4 June action on the Nicaraguan Government's request for intervention by the OAS Council to prevent further attacks on Nicaragua by revolutionaries based in other American countries.

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USSR and Satellites May Propose a Balkan Summit Meeting

Moscow may attempt to bring greater pressure on the Italian and Greek governments on the subject of missile bases. The USSR is likely to join its Balkan satellites--Albania, Bulgaria, and Rumania--in formally calling for a summit conference of Balkan states and Italy, to discuss the creation of a zone free of nuclear weapons and missiles in the Balkan and Adriatic area. The Soviet leaders probably anticipate that rejection by Turkey, Greece, and Italy of such a proposal would provide a pretext for carrying out Khrushchev's recent threats to establish missile bases in Albania "aimed at Italy and Greece."

Renewed bloc interest in pressing for a Balkan conference and denuclearized zone was reflected in Khrushchev's speeches in Albania and in the Soviet-Albanian joint statement. The Soviet premier recalled Rumanian Premier Stoica's 1957 proposal which called for a Balkan summit conference and reaffirmed another proposal, first made by Bulgarian Premier Yugov in January 1958, for a Balkan zone in which nuclear weapons and missiles would be prohibited. He called on the Balkan peoples to "start a struggle to prevent the establishment of rocket bases and the stockpiling of atomic weapons on Balkan soil and in the Mediterranean basin."

The joint statement asserted that a Balkan conference could contribute to the cause of "turning the Balkans into a zone of peace and quiet" by renouncing missile bases and nuclear weapons. A TASS summary of a Soviet New Times article stated on 3 June that the USSR and Albania propose to call a Balkan "summit" meeting to "discuss urgent questions and turn the Balkans into a denuclearized zone."

Belgrade has long opposed the introduction of nuclear weapons into the Balkans and favors a Balkan summit meeting to ease tensions in the area. Yugoslavia qualified its acceptance of Stoica's 1957 invitation by insisting that all Balkan states be represented; Turkey and Greece refused.

Rome, Athens, and Ankara would probably reject any bid for such a summit meeting on the grounds that attendance would conflict with NATO obligations and that the proposal is clearly an effort to split NATO solidarity.

II. ASIA-AFRICA

Nepal's Expanding Diplomatic Relations

Nepalese Prime Minister Koirala's new government, which took office on 27 May, may soon be subjected to increasing international pressures as a result of moves made by the predecessor government to increase Nepal's foreign relations. Last April, apparently under the urging of several members of the outgoing government, King Mahendra agreed to the opening of a Soviet embassy in Katmandu in the near future. Britain and India have long had the only diplomatic missions resident in Katmandu and there had been an informal agreement with Nepal that the USSR and China would not be encouraged to open missions there.

Nepalese officials may have reasoned that by playing off the USSR and the United States in matters of aid, Nepal might benefit materially. In fact, a new Soviet economic assistance agreement was announced simultaneously with the announcement of the new embassy. The United States has given economic aid to Nepal for some years.

Communist China may now be seeking a mission of its own in Katmandu, complicating the position of the new Koirala government because of India's strained relations with China over Tibet. The Chinese Communist ambassador to Nepal, who resides in New Delhi, reportedly had an audience with King Mahendra in Katmandu on 1 June. In addition to giving assurances that China has no expansionist intentions, he may well have raised the issue of a resident diplomatic mission. China has the right under its 1956 treaty with Nepal to open a consulate general, but in view of the fact that the USSR will open an embassy, the Chinese ambassador may suggest raising the level of Sino-Nepalese missions.

Nehru, who is scheduled to arrive in Katmandu on 11 June for a four-day visit, will probably caution Koirala against increasing his ties with the outside world too rapidly.

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